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SUBJECT: BADEN-WUERTTEMBERG GREEN PARTY EXPRESSES
FRUSTRATION WITH NATIONAL GREEN PARTY LEADERS AND THE SPD

11. (U) Summary: On November 23, the Baden-Wuerttemberg (B-W) Greens held their first state convention since the September national elections to discuss policy. Leading B-W party leaders such as caucus chief Winfried Kretschmann and Freiburg Lord Mayor Dieter Salomon are concerned about the viability of the national SPD-Green Party coalition. They cautioned the national leadership not to allow the party to be dragged down by the Social Democratic Party (SPD), which has been heavily criticized in the weeks since September's national elections for breaking campaign promises. Some even called for forming a coalition with the Christian Democratic Union (CDU), but were not supported by the majority of the assembled delegates. The overall mood was anger at the SPD, general frustration with Berlin leadership and the direction of the Green Party. End Summary.

Kuhn Speaks of Severe Crisis

12. (U) The Baden-Wuerttemberg (B-W) Green Party met in Esslingen on November 23 to discuss policy. It was the party's first meeting since its strong showing in last September's national elections. In his keynote address the delegates, national chairman Fritz Kuhn admitted that the national government and the Green Party is in severe crisis. The proposed increase in pension contributions and the extension for the Obrigheim nuclear reactor (contrary to nuclear phase-out plans) are big setbacks in terms of Green Party policy priorities. Kuhn urged the Greens' federal-level coalition partner, the SPD, to tell voters the truth about public budget issues. Half of Germany's 16 states have budgets in violation of state constitutional guidelines. Kuhn suggested that extensive structural reforms of the pension and health system were needed, along with consolidation of the budget, a new program to assist start-up companies, and a continuation of the eco-tax. According to Kuhn, a broadening of the basis for assessing social contributions is an absolute necessity. This expanded basis may include earnings from rents and other private income such as from investments.

13. (U) Unlike the SPD, the Green draws most of its support from small and medium-sized businesses, Kuhn continued. The SPD, with support from large corporations, does not understand that bigger companies are much more capable of dealing with non-wage labor cost increases than companies with only a handful of employees. Kuhn also insisted that the Green Party would not tolerate an increase in the value-added tax since this would be an additional blow to stumbling economic growth. Kuhn sharply attacked the Christian Democrats for lacking in constructive alternative suggestions for economic reform. He dismissed the CDU investigative committee on alleged election fraud by SPD-Greens as a "waste of time."

Salomon Expects SPD/Green Government Will Fail

14. (U) Kuhn's speech received only moderate applause. In the two-hour discussion that followed, leading B-W Greens voiced their frustration, anger and disappointment at the performance of the governing Party coalition. Freiburg Green Lord Mayor Dieter Salomon delivered a rousing speech, urging the Berlin leadership to reverse disastrous recent developments. He received a standing ovation. He warned the party that good poll results did not mean support for Green policies but a reaction to SPD failings: the FDP did similarly well during the CDU donation scandal. The SPD, according to Salomon, does not understand that, "This is its last chance to achieve important reforms. Instead, Schroeder is allowing labor unions to lead him around by the nose while the economy runs aground." Salomon criticized Kuhn for not saying anything new. The Green Party has the right ideas, but Berlin leaders are not implementing them, Salomon said.

15. (U) Salomon told the delegates that public mood is so bad that the 11 percent the Greens won in recent polls would "melt like snow in the sun." Salomon criticized the tax reform for being well-intentioned but ill-conceived and

undermining the financial basis of the communities. Using his own city as an example, Freiburg's budget deficit will reach 80 million Euro in 2003, which will mean the loss of several hundred jobs in the city administration. In that context, Salomon blasted the chief of Ver.di (the service workers union) Frank Bzirske for demanding a three percent plus increase in wages. "The Chancellor is in nirvana and the Greens stick blindly to the coalition agreement. The federal government will fail with these irresponsible economic policies. It is better the Green Party leave the coalition now, than be dragged under by Social Democratic chaos."

16. (U) Eugen Schlachter, a close friend of the former Green Party financial expert Oswald Metzger, also called on the Green leadership in Berlin to change coalition partners rather than continue with damaging compromises. Otherwise, the Green Party may go under with the SPD. In a sharp stab at SPD Secretary General Olaf Scholz's statement that the SPD should control the policy discussion on children's education and upbringing Schlachter stated "whoever talks such nonsense is unsuitable for a governing coalition."

CDU Needs to Make the First Step

17. (U) Green Bundestag members did not welcome the suggestions by some rank and file members that the Green Party should change coalition partners. B-W Caucus Chief Winfried Kretschmann pointed out that Greens and CDU have many things in common but said, "The CDU is still too weak on environmental issues." It is up to the CDU to make the first move to show it is taking environmental issues seriously. Kretschmann said the national Green leadership in Berlin needed to remember its roots in the state party and improve communication. He also said that the extension of the Obrigheim nuclear reactor's operating license should have never happened.

Comment

18. (SBU) Comment: The recent convention shows that the Green Party rank and file in the party's southwest heartland is no longer willing to keep quiet. Fear, anger and frustration are growing among the Greens that the crisis in the national government, in their view the fault of the SPD, will drag them down. Green Party leaders in Berlin are seen as too eager to please the SPD and too willing to compromise on key issues. The Green Party convention in Esslingen made clear that some in the party believe a change of coalition partner is necessary. Green Party members at the convention also told us that interpersonal relationships between SPD and Green partners have been severely damaged in the past several weeks, further eroding cooperation.

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